

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-340-W - ORDER NO. 2005-125
MARCH 24, 2005

IN RE:	Application of Carolina Water Service, Inc.)	ORDER APPROVING
	for Approval of a Contract with May Green)	FINANCIAL TERMS OF
	Properties, LLC for Water Service in York)	CONTRACT
	County, as Well as Certain Other Counties in)	
	the State.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Carolina Water Service, Inc (CWS or the Company) for approval of a contract with May Green Properties, LLC (May Green or the Developer) for water service in York County, South Carolina. The Application was filed pursuant to 26 S.C. Code Ann. Regs. 103-743 (Supp. 2004).

The Application notes that the Company's River Hills Water System will serve a proposed development consisting of 97 customers. The contract provides, *inter alia*, that the Developer will construct all of the necessary water facilities required to connect the proposed development to the Company's River Hills Water System and acquire all necessary easements and rights-of-way. The contract also provides for the conveyance of the facilities and easements from the Developer to CWS. Further, CWS is to provide service to the proposed development pursuant to all of the terms, conditions, rates and charges set forth in its existing rate schedule (as and to the extent same may be modified by this Commission in any rate adjustment proceedings) except with respect to its authorized tap fees, which CWS has agreed to waive in consideration of the substantial

plant to be constructed by the Developer. The proposed development is within CWS's assigned service area. The Company is requesting that a hearing on the matter be waived and review of the Application be expedited.

A Notice of Filing has been published in this matter as the result of instructions from the Commission's Docketing Department. No Protests or Petitions to Intervene have been received. The Office of Regulatory Staff (ORS) has filed a letter, stating that it does not oppose the Company's requests in this Docket.

We would note that 26 S.C. Code Ann. Regs. 103-743 (Supp. 2004) requires utilities to submit to the Commission for approval any contract which would impact, pertain to, or affect said utility's fitness, willingness, or ability to provide water service. We take judicial notice of the fact that the Company's charter, bond and current schedule of rates and charges are currently on file with this Commission.

We have examined this matter and grant the request for waiver of hearing in this matter.

We would note the filing of a letter regarding this matter from counsel for the Company. See Appendix A to this Order. Counsel states that the Company's Application does not seek approval from the Commission with respect to the restrictive covenant contemplated in Article III, Section I of the contract. The letter reiterates that CWS does seek approval of the financial terms under which its services will be extended to the property of the developer. We believe that the financial terms of the contract should be approved. Accordingly, we make the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Carolina Water Service, Inc. seeks approval of a contract with May Green Properties, L.L.C. for the provision of water service in York County, South Carolina.

2. The Application notes that the Company's River Hills Water System will serve a proposed development consisting of 97 customers.

3. Under the terms of the contract, the Developer will construct all of the necessary water facilities required to connect the proposed development to the Company's River Hills Water System and acquire all necessary easements and rights-of-way. The contract also provides for the conveyance of the facilities and easements from the Developer to CWS. Further, CWS is to provide service to the proposed development pursuant to all of the terms, conditions, rates and charges set forth in its existing rate schedule (as and to the extent same may be modified by this Commission in any rate adjustment proceedings) except with respect to its authorized tap fees, which CWS has agreed to waive in consideration of the substantial plant to be constructed by the Developer.

4. The proposed development is within CWS's assigned service area.

5. The Company is requesting that a hearing on the matter be waived and review of the Application expedited.

6. No Protests or Petitions to Intervene were received, nor is the matter opposed by ORS. Consequently the hearing shall be waived and expedited review shall be granted.

7. This matter was submitted to the Commission under 26 S.C. Code Ann. Regs. 103-743 (Supp. 2004), which requires utilities to submit to the Commission for approval any contract which would impact, pertain to, or affect said utility's fitness, willingness, or ability to provide water service. The contract under consideration fits the description provided in the cited Regulation.

8. The financial terms of the contract should be approved as pertains to their impact on the utility's fitness, willingness, or ability to provide water service. These terms of the contract are fair and reasonable. The Developer will transfer facilities and easements to the Company. The Company will provide service under approved rates. The Company will not charge tap fees in consideration of the substantial plant furnished by the Developer.

9. CWS does not seek approval from the Commission with respect to the restrictive covenant contemplated in Article III, Section I of the contract. The Commission therefore will not approve this portion of the contract, for the reasons cited in Appendix A to this Order.

ORDER

The financial terms of the contract between Carolina Water Service, Inc. and May Green, LLC are hereby approved as filed. The restrictive covenant found in Article III, Section 1 of the contract is specifically not approved, for the reasons stated in the letter of counsel to CWS to the Honorable Charles L.A. Terreni of March 8, 2005, and attached

hereto as Appendix A. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice-Chairman

(SEAL)



APPENDIX A -
ORDER NO. 2005-125